

Visitor Accommodation & Residential Amenity: Proposed Plan Change 23

Issues and Options Report

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1 Introduction

1.1 Purpose of Report

The purpose of this report is to identify feasible District Plan-based options to manage issues associated with visitor accommodation developments in the district.

An adequate supply of visitor accommodation units is obviously important to the long-term growth of the local economy.

To this end, the District Plan recognises that visitor accommodation is an important resource within the district, and provides for visitor accommodation developments in a wide variety of district plan zones, including town centre zones, business zones, and various visitor accommodation sub zones and within residential zones.

In reviewing the growth pressures faced by the district, and current policy aimed at managing these pressures, the council has identified the need to look at more effective management of the location of visitor accommodation units. This is in relation to issues associated with residential coherence, transport, urban form and economic development. A particular focus is defining the role of visitor accommodation within the residential areas of the district (particularly the high density zone). An emerging issue is the potential spread of visitor accommodation units through the business zones of the district (e.g. Gorge Road and Anderson Heights). This may occur as it becomes harder to find sites for visitor accommodation developments in residential and town centre zones.

The following objectives (which are drawn from council's policies and plans) have been identified by the council as being particularly relevant to this project:

- A balanced mix of visitor accommodation in High Density Residential zone and a predominance of residential in Low Residential Density zone
- Facilitate high quality design to ensure a world-class resort environment
- Ensure that the development of zones achieve the community vision (as expressed in the various community plans)
- Ensure infrastructure is adequate to meet community needs
- Ensure health of the local economy.

This report explains the background to the concerns about visitor accommodation developments, and sets out a number of options as to how the issues could be addressed by way of changes to the District Plan, including if other consequential zoning changes are needed to ensure that an adequate stock of visitor accommodation units is provided for, should opportunities be reduced in some areas of the district.

The report is intended to provide a platform for community feedback on the issues and options involved, prior to the council deciding whether it should alter the District Plan through a plan change process.

At this time, no one option is advanced as a recommended option. Elements from each of the options provided in this paper may be needed to comprise a recommended path forward. Further research and consultation is required.

Any subsequent plan change proposals will be subject to the requirements of the Resource Management Act (RMA), including calling for submissions and a council hearing. Appropriate justification for any changes also has to be prepared (Section 32 of the RMA).

1.2 Structure

The report is structured as follows:

- Section 1 outlines the purpose of the report and identifies what visitor accommodation is
- Section 2 discusses the issues and options for visitor accommodation
- Section 3 sets out the existing policy framework
- Section 4 sets out the growth management pressures that the district faces, including an assessment of future demand for visitor accommodation
- Section 5 sets out the current District Plan provisions
- Section 6 sets out national and international approaches to management of visitor accommodation in resort areas.

1.3 Process

This report has been prepared by Hill Young Cooper Ltd and Tricia Austin of the University of Auckland, in conjunction with council staff. An advisory group has also provided input into the report.

The following process was used to develop this report:

- Review of the existing policy framework (summarised in this report) which identified previous work and the current direction of the council
- Review of national and international examples, which is also summarised in this report, which illustrated options used by other authorities to address similar issues
- A draft Issues and Options Report was prepared
- An Advisory Group workshop was held in August to discuss the draft report
- A revised Issues and Option Report was prepared in light of comments from the Advisory Group and council officers, for consideration by the committee.

The advisory group comprised of Councillors Christine Kelly and Rick Pettit, together with John Edmonds, Warwick Goldsmith, Rob Grieg and Mayor Clive Geddes.

1.4 What is Visitor Accommodation?

Visitor accommodation refers to development that is utilised by tourists and short stay visitors, whether these be domestic or international visitors, and whether they visit for tourism, recreational, business or domestic reasons.

1.4.1 Current Status

The District Plan **currently** defines visitor accommodation as:

“Visitor Accommodation:

- 1. Means the use of land/or buildings for shore-term, fee paying, living accommodation where the length of stay for any visitor is not greater than 3 months at any time. This definition does not exclude the letting of individually owned residential units.*
- 2. Includes such accommodation as camping grounds, motor parks, hotels, motels, boarding houses, guest houses, backpackers accommodation, bunkhouses, tourist houses and lodges.*
- 3. Includes the letting of individually-owned residential units, in particular homestays for more than four guests but does not include homestay accommodation for up to four guests.*
- 4. Includes some centralised services or facilities, such as food preparation, dining and sanitary facilities, conference, bar and recreational facilities if*

such activities are associated with visitor accommodation within the sense of (1)-(3) above.”

Over the past three months, a separate project has looked at the definition of visitor accommodation and whether it should be amended so that residential units that are rented out for up to 28 days per year would be a permitted activity, and not require resource consent (Proposed Plan Change 22). An Issues and Options Report on this project was released in August 2006 for public comment. In summary, comments received strongly suggested that any solution address:

- How it would be monitored and enforced
- How it is equitable to commercial operators that pay Destination Queenstown / Wanaka Tourism marketing contributions from those that benefit from the exposure but do not pay
- Differences of Wanaka and Queenstown, offering different solutions for each area

Council proposes to proceed with further analysis of the proposed changes to the definition of Visitor Accommodation, taking into account the issues raised to date. The next step in this process will be to prepare a Section 32 report under the Resource Management Act. Section 32 requires a formal analysis of the advantages and disadvantages of proposed changes, prior to their notification.

1.4.2 Form of Visitor Accommodation

Visitor accommodation developments take a wide variety of forms. They can cover:

- People renting out individual homes or units for periods of up to 3 months. This may involve stand alone houses, or units that are part of an apartment complex
- Home stays, where guests stay with the owners of the unit (Note: the current definition of visitor accommodation provides an exclusion for home stays of fewer than 4 guests)
- Resort developments, motels, hotels, back packers and other forms of commercial accommodation
- Camping grounds, camper van parks and similar.

Limited information is available on the location and number of visitor accommodation units in the district. Section 4 sets out what information is available. Generally the demand for commercial visitor accommodation units has grown faster than the growth of the visitor market, as the trend is towards more people staying in commercial accommodation and serviced apartments,

with less demand for camping grounds, homestays and similar forms of more informal accommodation.

In Wanaka, the visitor accommodation sector is focused on the use of individual houses. As a result there appears to be a dispersed pattern of visitor accommodation provision. Wanaka has many holiday and second homes, and it appears that many of these are let out as visitor accommodation units during the periods when the main occupier is away. There have been only a limited number of purpose-built visitor accommodation developments.

In Queenstown, there appears to be an increasing reliance on hotels and “lettable” apartments in providing for visitor needs. Lettable apartments mean apartment developments where the units are individually owned, and the units are put into an accommodation pool. It should be noted that increases in the use of serviced apartments for visitor accommodation can be at least partly attributed to the real estate market and promotion of apartments as an investment opportunity. It may be that in the longer term, many of these units get taken out of the visitor accommodation market, and are used as permanent residential homes (for example when owners retire or on-sell).

As is discussed in Section 3, a noticeable trend in the Queenstown area has been the development of multi-unit developments in the high density residential areas around the Queenstown Bay area and along Frankton Road. Most if not all of these multi-unit developments have been directed towards investors who have then made their individual units available to visitor accommodation providers. There have been only a few hotel / motel type developments. This pattern of growth is leading to a degree of concentration of visitor units in and around the CBD.

The particular focus of this report is therefore on visitor accommodation within residential zones, and whether additional or different controls on visitor accommodation are needed. A particular concern is whether residential zones will become dominated by visitor accommodation and will no longer be an area for permanent residents.

Current District Plan Changes 8 and 10 are addressing on-site car parking and design issues evident with multi-unit developments (for both residential and visitor accommodation) in higher density zones.

This report therefore takes a wider look at the growth management, social / residential coherence, and transport issues associated with visitor accommodation. It considers whether some form of locational control on the amount of accommodation in different areas would be beneficial to the longer term social wellbeing of the district. By understanding where development will occur, and in what form it will take, better planning for visitor accommodation development will be possible.

The intention is to recognise the value of visitor accommodation as an economic resource for the district, and continuing to provide for it, but in an improved way from the present. This might mean restricting it in some areas, but making it easier to establish in other areas, for example.

2 Visitor Accommodation: Issues and Options

This section of the report sets out a summary of the issues identified to date in relation to visitor accommodation, as well as a range of options that could be used to manage the identified issues.

The issues and options are presented to stimulate thinking on the topic and to gain feedback from the public and interest groups, before the council develops a preferred option (which may be a combination of the options listed, or a completely new option).

2.1 Issues

Previous work undertaken by the council has identified a number of key issues. These can be summarised as follows:

Amenity

- Site design / appearance – visitor accommodation units in high density zones tend to look different from residential units. They tend to involve bigger building forms that are usually repetitive in form, compared to residential development. In the low density zones, there is less to distinguish a permanently occupied stand alone house from a house that is rented out for short term accommodation.
- Loss of privacy – this relates to more parties, noise and inconsiderate behaviour by occupants of visitor accommodation units, compared to residential development. This issue tends to be associated with larger apartment type developments, rather than visitor accommodation associated with home stays or similar smaller scale operations.

The Residential Issues Study (November 2004) reviewed the design and amenity impacts of visitor accommodation units, as well as other forms of intensive development in High Density Residential zones. Based on this review, Plan Change 10 was prepared.

Proposed Plan Change 10 proposes to address amenity concerns by introducing a range of additional requirements for multi-unit development in High Density Residential zones. The general effect of these changes will be to lower the achievable density of permitted development, reducing the capacity for visitor accommodation and residential development in the zone. Various controls will also mean that larger residential and visitor accommodation developments will become limited discretionary developments, rather than controlled (as is

currently the case.) The rationale behind this is to provide council with the ability to decline poor design and to provide guidance as to what constitutes appropriate scale and design.

A number of submitters have questioned the effect of the changes on growth management policies, in particular whether the changes are acting against wider objectives to promote a more compact urban form and to provide for economic growth. A number of submissions indicate that the new requirements (i.e. landscaping, car parking) will impact on the ability of visitor accommodation to efficiently use land in the zone.

Traffic

- More traffic, people coming and going, tour operators dropping off and picking up people
- Lack of sufficient on-site parking.

The Residential Issues Study (November 2004) reviewed these issues in a general way, and the council is undertaking further work on the local transport and parking effects of development in the higher density zone.

Plan Change 8 proposes to increase the number of on-site car parking areas required for visitor accommodation units. 2 on-site car parks would be required for each unit containing a kitchen, while Backpackers would require 1 space per 5 guests. These provisions seek to align actual parking demands for visitor accommodation development with the District Plan requirements, and acknowledges the ability of developments to be used for visitor accommodation or residential activities at the occupants pleasure in the high density zone, and therefore aims to provide for such seamless change in use over time.

Residential coherence / cohesion

- Loss of neighbours / residential feel – erosion of feeling of being in a neighbourhood for permanent residents if temporary accommodation predominates
- Reduced sense of safety – more strangers, less familiar faces in the street
- Large number of empty units during quiet times.

These effects were reviewed in the Residential Issues Study, but were not addressed in detail, given that the focus of the study was on design issues.

Essentially, a loss of residential coherence can occur where increasing numbers of private residences are used for visitor accommodation.

In Queenstown the issue is related to the longer term viability of the higher density residential zones as a residential zone. While set up as a residential zone, part of it is rapidly developing into a visitor accommodation area where there is little residential coherence.

In Wanaka (which has a high proportion of second and holiday homes), it may be argued that residential coherence is less of an issue, given the number of empty homes on any given day, and the acceptance of this situation by existing and new permanent residents. However, as the permanent residential population base of the area grows, it is likely that the coherence of the residential zones will become more of an issue.

The District Plan acknowledges that providing for residential coherence through the provision of a stable residential zone is important, but concentrates on addressing this issue in the lower density residential zones, where visitor accommodation developments are a discretionary activity.

The District Plan appears to accept that in the higher density zones, a mix of visitor accommodation and residential development is to occur. For residents in the higher density area, however, there is no certainty that they will not get “surrounded” by visitor accommodation units at some point. This raises concerns about the stability of the higher density residential zone as a quality permanent living environment.

Growth Management

- Residential housing market being “crowded out” of the wider CBD area by visitor accommodation developments, with consequent pressure for urban sprawl as a result
- CBD being dominated by visitors – loss of character, and an adverse mix of visitors and residents
- Traffic / transport – too much demand on Frankton Road if all development is in the Queenstown Bay area.

These effects are related to the longer-term, cumulative effects of the growth of the visitor accommodation sector, and in particular if the sector gets concentrated in the Queenstown CBD area.

In response to anticipated growth pressures, the 2004 Growth Options report noted that a “twin centre” strategy needed to be pursued for the Queenstown area. That is, both the Queenstown CBD and Frankton areas should develop as mixed use centres, supported and connected by a public transport service with a mix of residential and visitor accommodation in the immediate catchment of the centres.

The reasons for this approach were to retain the current scale of the CBD and its relationship to the immediate residential environment. Transport issues were also important, given the constraints evident in the transport infrastructure serving the centre – Frankton Road is rapidly reaching its capacity.

In Wanaka, the Wanaka 2020 Structure Plan did not directly address visitor accommodation developments, and whether the continuation of a dispersed pattern is appropriate in the long term. That said, the Wanaka Structure Plan provides greenfields areas specifically for Visitor Accommodation and intends that all other High Density Residential will be just that, for residential. While Wanaka has more land than Queenstown within its proposed growth boundaries, there is a need to ensure that land is used wisely, and that functional neighbourhoods are created by new development.

Economic wellbeing

- Economic development / need for more visitor units
- Affordability of residential units
- Commercial accommodation development and its relationship to other employment related activities.

These effects cover the flow-on social and economic effects of visitor accommodation unit developments.

Visitor accommodation is an important resource for the district, generating strong economic development. In Queenstown, having visitor accommodation development close to the CBD, and along Frankton Road is beneficial in transport terms, and in terms of the tourism offering. In Wanaka, the dispersed pattern of visitor accommodation, often involving stand alone homes, could be said to offer a unique visitor experience that is different from that associated with Queenstown.

It should be noted in the District Plan that there is a need to provide for the ongoing development of visitor accommodation, ensuring there are sufficient areas for growth and that activities are not overly restricted to the point where it is impossible for visitor accommodation to operate effectively and efficiently. This issue is reflected in many of the submissions received on Plan Change 10.

There is a need, however, to reconcile the conflict between the problem of visitor accommodation in residential areas, and the importance of Visitor Accommodation as an economic resource. On the one hand there is the necessary support to the district's economy through the provision of additional visitor accommodation units; on the other hand are the impacts of a vigorous visitor accommodation sector on housing affordability. In particular there is an issue around the limited ability for the market place to provide market-rate affordable housing because of the domination of visitor accommodation units in

the higher density zones, and the long term impact on social and economic well being, including reduced access to labour from increasingly unaffordable housing options.

A further issue is the extent to which visitor accommodation development may in the future, start to occupy scarce employment land. While not an issue at present, it is possible that visitor accommodation developments will become more dominant in business zones. This has implications for other employment-related activities.

2.2 Options

Options for addressing issues associated with visitor accommodation need to extend beyond those associated with direct, adverse effects of activities on the quality of the environment, as these have been addressed by Proposed Plan Change 10.

The options set out below can be seen as a continuum from less restrictive to more restrictive approaches.

1. Loosen other provisions to encourage more visitor accommodation to locate away from the high density zones
2. No plan change but monitoring and enforcement of existing planning provisions
3. Impose additional / different development controls on visitor accommodation to control the specific additional effects associated with visitor accommodation, in addition to PC 10 proposals – eg require live-in manager.
4. Insert additional policy and assessment criteria that assess the cumulative effects of visitor accommodation on residential coherence and social well being.
5. Make visitor accommodation a non-complying activity in the Low Density Residential zone.
6. Sub zoning areas already developed as visitor accommodation in higher density areas, while making new visitor accommodation units a discretionary activity in remaining areas of Higher Density Residential zone.
7. Financial – further targeted rate / development contributions to reflect additional costs on infrastructure (over and above those already in place).

These options are discussed in turn on the following pages.

<p>Option 1</p> <p><i>Loosen other provisions to encourage more visitor development elsewhere, away from the high density zone.</i></p>	
<p><i>Description</i></p> <p>This option would seek to address the longer term issues of a concentration of visitor accommodation units in the High Density zone by making it easier to locate visitor accommodation in other zones. By freeing up opportunities elsewhere, the demand to locate more visitor accommodation close to the CBD in the Higher Density zone may fall.</p> <p>This option is most applicable to Queenstown. For example visitor accommodation could be made a permitted or controlled activity in a number of the Town Centre or Special Zones. Proposals for the Five Mile Village include a substantial amount of visitor accommodation, while in the Remarkables Park area, there are substantial opportunities to provide more visitor accommodation units. Visitor accommodation sub zones in the rural-residential areas of the district could be expanded while accommodation could be provided for in the Ski Area sub zones.</p> <p>A further option is to look at part of the Gorge Road area, and whether part of the current Business zoned land should be reallocated to visitor accommodation development, especially the area at the base of the escarpment where high rise development would be possible.</p> <p>Visitor accommodation in the Low Density Residential zone could be made a controlled activity (rather than discretionary as at present) to encourage visitor accommodation to locate throughout residential zones rather than the high density areas, similar to that which has occurred in Wanaka.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Increases the options available for visitor accommodation, rather than further restricts them. This should support economic growth and provides further flexibility to the market-place 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • May just transfer the problems of incompatibility to other parts of the district , creating unwanted effects in the areas where it is made easier to develop visitor accommodation units • Visitor accommodation is already a controlled or permitted activity in many zones, and so there are few opportunities to free up controls, elsewhere

<p>Option 1</p> <p><i>Loosen other provisions to encourage more visitor development elsewhere, away from the high density zone.</i></p>	
	<ul style="list-style-type: none"> • Visitors will want to be close to amenities, shops and cafes etc. Unless there is good public transport to these facilities from the alternative areas, or these facilities are present in them, then it is likely that alternative locations will not be seen as being as desirable as a location close to the CBD, and/or will further encourage use of rental cars to access facilities.

<p>Option 2</p> <p><i>Monitoring and enforcement of current provisions for visitor accommodation</i></p>	
<p><i>Description</i></p> <p>This option is based on the principle that sufficient provisions exist within the District Plan to manage visitor accommodation. This option would enforce those requirements ensuring that all visitor accommodation complies with the District Plan and where required obtains the necessary resource consents, and through this process, is well designed.</p> <p>Currently, the council faces the difficulty of identifying all visitor accommodation units, in particular individual private residence that are managed as part of a pool of temporary accommodation.</p> <p>A Bylaw requiring registration of all visitor accommodation units may help to ensure wider coverage of visitor accommodation units, and collecting this information may assist with monitoring and enforcement of District Plan provisions. An alternative may be requiring controlled activity status for all visitor accommodation or enforcing current rules which require all operators to have a resource consent.</p> <p>Once Plan Change 10 has full effect, it may be that the number of large-scale visitor accommodation developments will reduce, and that the scale and bulk of developments will be more in keeping with a residential environment, reducing future conflicts.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Some minor changes outside the District Plan would enable the Council to monitor the extent of visitor accommodation and determine whether existing provisions are adequate • Does not require plan change to introduce further provisions. 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Does not address the issue of concentrations of visitor accommodation in high density areas, or the spread of visitor accommodation units through low density areas.

<p>Option 3</p> <p><i>Additional / different site and zone standards for visitor accommodation to control effects, in addition to those proposed by Plan Change 10 – e.g. require live in manager for large scale visitor accommodation developments.</i></p>	
<p><i>Description</i></p> <p>This option would involve the imposition of additional development standards on visitor accommodation units in all relevant zones. The current activity status (as modified by Plan Change 10) would be retained.</p> <p>The intention would be to impose a number of requirements that directly address the more obvious “social” effects of visitor accommodation, over and above the design controls already proposed by Plan Change 10. Additional development standards could be related to the requirement for an on-site manager for larger developments, or additional setbacks or buffers between adjoining residential activities.</p> <p>The requirements may only apply to larger developments, such as those involving 10 or 20 units.</p> <p>This option would not seek to address overtly the issue of concentration of visitor accommodation in areas, rather by imposing some additional controls, visitor accommodation developments may be better designed and more compatible with residential development.</p> <p>This option would be most relevant to Queenstown, given the concentration of larger scale visitor unit developments in the wider CBD area.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Builds on current approach (it does not involve a major change to the Plan) • Visitor accommodation is still provided for in the higher density zone 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Does not address the issue of cumulative effects associated with the concentration of visitor accommodation developments within higher density zone.

Option 4

Insert additional policy and assessment criteria that any visitor accommodation development would need to consider, such as assessing the cumulative effects of visitor accommodation on residential coherence.

Description

This option would provide additional matters that would need to be assessed when visitor accommodation units are proposed in the high and low density residential zones. That is, a further element of discretion would be introduced when considering resource consents for visitor accommodation in residential zones.

By introducing a policy that addresses issues of appropriate location and concentration the District Plan would provide more direction as to whether there is an appropriate proportion of visitor accommodation within a particular area.

Additional assessment criteria could refer to the cumulative effects of development on residential coherence. For example, the Auckland City Council District Plan (Isthmus Section) states the following issues need to be considered when non-residential activities are proposed for residential zones:

Intensity and scale. Particular consideration shall be given to the appropriateness of allowing the activity to be located in an area, given the presence of other activities in the area and their combined effect on the surrounding residential environment and the extent (if any) to which the establishment of the activity will result in an undesirable accumulation of activities in the area that may generate an adverse effect in respect of the following:

- *Traffic - the capacity of the adjacent road to deal adequately with the cumulative effect of traffic generated from the concentration of these activities*
- *Amenity – the character of the surrounding residential area must not be adversely affected by the accumulation of activities so as to degrade the amenity of the area, in particular through the number of people involved in the activity, the size and location of buildings and associated parking, signs, noise generation and the effect on the residential streetscape*
- *Infrastructure – the surrounding areas drainage system must have the capacity to deal with the accumulated servicing needs of the activities. Development that generates large volumes of traffic shall generally not be located on local roads. Developments shall be located in close proximity to public transport routes.*

In this way, issues of concentration could be dealt with on an incremental, case-by-case basis. Each development could be assessed as to whether it may or may not affect residential coherence.

An extension of this approach would be to provide a threshold or limit on the amount of visitor accommodation units within a residential zone, or area. For example, visitor accommodation units should not exceed 20 or 30% of total residential and visitor

<p>Option 4</p> <p><i>Insert additional policy and assessment criteria that any visitor accommodation development would need to consider, such as assessing the cumulative effects of visitor accommodation on residential coherence.</i></p>	
<p>accommodation units within a certain radius of the proposed site.</p> <p>This approach could be applied equally to the low and the high density residential zone in both Wanaka and Queenstown, although any criteria / thresholds may vary between the zones.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Allows for flexibility / consideration of site specific circumstances • Provides a balanced mix of visitor accommodation suitable to a particular area or zone 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Likely to be hard to administer. Cumulative effects are always hard to judge on a case-by-case basis • Will significantly increase application costs and risks for visitor accommodation developers • Residents are likely to become involved in an on-going series of debates as each development is proposed, and in the longer term are likely to be frustrated by the process not providing enough certainty as to when there is too much visitor accommodation in an area. • Could be quite effective in the Low Density Residential zone, but of limited use in this zone due to the controlled activity status of visitor accommodation.

<p>Option 5</p> <p><i>Sub zoning areas for visitor accommodation in residential areas, while making new visitor accommodation units a discretionary activity in remaining areas of Higher Density Residential zone.</i></p>	
<p><i>Description</i></p> <p>This option would essentially seek to direct visitor accommodation development to certain parts of the residential zones. Where there are existing concentrations of visitor accommodation, and areas that are likely to be suitable for visitor accommodation developments, then these could become visitor accommodation sub-zones, with new visitor accommodation directed to these areas. To achieve this, the activity status for visitor accommodation that is in the High Density Residential zones, but outside of the new identified sub zones, would need to be changed to discretionary. Visitor accommodation within the identified sub zones could be a controlled activity.</p> <p>The sub zones could allow for some further expansion of visitor accommodation developments. Consequential changes may be required to site and zone standards within the visitor accommodation sub-zone areas to enable further growth of visitor accommodation; this could include increased height or building coverage for example.</p> <p>The sub zones would require mapping and the strengthening of District Plan objectives and policies to encourage the location of visitor accommodation in these areas.</p> <p>The sub zones could cover areas where existing topographical conditions do not favour a high quality residential environment. For example shady areas along Frankton Road, in the vicinity of the camp ground and along Gorge Road in Queenstown.</p> <p>The option could be applied to both Wanaka and Queenstown.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Builds on a technique already used in the District Plan • Provides greater certainty about where visitor accommodation should locate • Retains residential zones as coherent residential areas 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • May restrict economic growth if alternative locations are not available, or new sub zones do not allow for enough growth • Need for extensive work to identify where visitor accommodation can be appropriately located within Queenstown and Wanaka, and involves drawing boundaries between neighbourhoods / suburbs.

<p>Option 6</p> <p><i>Make visitor accommodation a non-complying activity in the Low Density Residential zone, and retain current approach to high density zone.</i></p>	
<p><i>Description</i></p> <p>This option was recommended by the Residential Issues Study. Visitor accommodation development in the Low Density Residential zone would be discouraged by making such developments a non-complying activity. The status quo would be retained elsewhere with emphasis placed on plan changes 8 & 10 which address design and visual amenity/character issues. Therefore visitor accommodation will continue to be provided for as permitted and controlled activities within many of the areas throughout the district, and only in the Low Density Residential zones would it be restricted.</p> <p>This option has significant implications for Wanaka, given the predominance of visitor accommodation units in the low density zones. Homestay operations would be able to continue to operate, as well as individual homes rented out for only short periods of time (provided that changes to the definition of Visitor Accommodation occurs). Otherwise, visitor accommodation would have to locate in the town centres, or in the high density zones.</p> <p>In Queenstown, the option is likely to have less impact, but over time will strengthen the concentration of visitor accommodation development in the High Density zone.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Only involves limited changes to the District Plan • Protects the low density residential zones as the main “living” area within the district • Provides certainty for visitor accommodation in High Density Residential zones 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Would not address issues of residential coherence in high density areas • It may increase the concentration of visitor accommodation in the high density zones • May need expansion of the high density zone in Wanaka to cope with future demands

<p>Option 7</p> <p><i>Use of economic tools to influence location of visitor accommodation</i></p>	
<p><i>Description</i></p> <p>This option would use a variety of charges and contributions to influence the location of visitor accommodation developments.</p> <p>Visitor accommodation development (along with other land uses) is already subject to development contributions and rates. Recent changes to the development contribution system mean that visitor accommodation developments now pay similar contributions to those paid by residential developments, when in the past, residential developments paid much more. This change may already be influencing some decisions about whether a development should be for residential or visitor accommodation purposes.</p> <p>This option could include a financial disincentive such as a bed tax, higher development contribution, or other tax relating to impacts on the wider community when visitor accommodation locates in certain areas, such as in residential zones</p> <p>This option could also recognise and provide for a cross-over link with community housing, whereby some form of contribution to the provision of community housing is required as part of a visitor accommodation developments.</p> <p>This option raises a number of legislative issues which make its implementation problematical. In general, revenue raised through rates and charges need to be directly linked with an effect, and has to be spent towards mitigating that effect. Development contributions would need to be justified under the Local Government Act in terms of the impact on demand for infrastructure.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Economic rather than regulatory mechanism, which may be more effective • Raises revenue for upgrade improvements to the district associated with visitor accommodation • Avoids a plan change 	<p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Likely to be difficult to justify under the Local Government Act which focuses on infrastructure funding • Could act as an overall disincentive to visitor accommodation

3 Policy Framework

The following objectives (which are drawn from the council's policies and plans) have been identified by the council as being particularly relevant to this project:

- A balanced mix of visitor accommodation in High Density Residential zone and a predominance of residential in Low Residential Density zone
- Facilitate high quality design to ensure a world-class resort environment
- Ensure that the development of zones achieve the community vision (as expressed in the various community plans)
- Ensure infrastructure is adequate to meet community needs
- Ensure health of local economy.

The above objectives can be found in the following documents:

- Long Term Council Community Plan
- Future Link Transport study
- Residential Issues Study and Review
- HOPE Strategy
- Growth Options study
- Wanaka 2020 and Tomorrow's Queenstown
- Development contributions policy.

These documents are briefly discussed in turn. Subsequent sections provide a more detailed analysis of District Plan provisions.

3.1.1 Long Term Council Community Plan

The Long Term Council Community Plan (LTCCP) for the Queenstown Lakes District has been prepared under the Local Government Act 2002 (LGA) and describes how the council intends to meet its obligations within this legislation. The key responsibilities set out within the LGA require the Council to provide for the cultural, economic, environmental and social wellbeing of the

community. In achieving this, the 2006/2016 LTCCP lists the following community outcomes for the district:

- Sustainable growth management.
- Quality landscapes and natural environment and enhanced public access.
- A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes.
- Effective and efficient infrastructure that meets the needs of growth.
- High quality urban environments respectful of the character of individual communities.
- A strong and diverse economy.
- Preservation and celebration of the district's local cultural heritage.

Issues listed in the LTCCP under high quality urban environments include efficient use of urban land and that the amenity and character of townscapes and residential areas are maintained or enhanced.

A more diverse economy and a stronger economy are issues identified in relation to economic growth.

The LTCCP goes on to list the following actions in relation to these outcomes and issues:

- Growth

Undertaking plan changes relating to the re-zoning of Frankton Flats and reviewing provisions relating to visitor accommodation.

- Urban design

Continuing to operate the Urban Design Panels, to prepare various design guidelines, to undertake Town Centre Strategies for both Wanaka and Queenstown, and to review the council's current policies regarding reflectivity.

- Economic Issues

Development of an Economic Policy which will further the work undertaken through the Growth Options Study, the Growth Management Strategy, and the employment land study and provide an over-arching framework and context for this work.

One submission made to the LTCCP (2006) is identified as being particularly relevant to visitor accommodation. This submission related to the introduction of rating residential properties used for short term accommodation using the mixed use differential. The submitter considered such properties to have occupancy levels at no more than residential properties, and as such it could be argued that council services are not fully utilised

3.1.2 Future Link Transport Study

This study was undertaken in 2005. Its purpose was to consider the long term pressures on the main road network within the district and the options to manage identified adverse effects.

Critical issues identified in the study that are relevant to the consideration of the location of future visitor accommodation include:

- Significant pressure on State Highway 6A (Frankton Road) in Queenstown. The capacity of the road will be exceeded on a regular basis by 2021. While alternative routes into the Queenstown CBD are possible, such as the eastern corridor, the study has highlighted the need to seriously promote public transport, walking and cycling as an alternative to continued growth of private vehicles.
- Traffic levels in and around the Queenstown CBD are nearing a point where they are creating adverse effects in terms of the amenity of the centre and reduced land use accessibility. The study calls for a policy of parking restraint to help address this issue.
- In relation to Wanaka, the study seeks to limit the growth of vehicle numbers in and around the CBD. The study notes that the Wanaka Structure Plan provides the opportunity to provide additional routes around the CBD.

The council is now in the process of taking forward a number of more detailed transport studies, including how to provide for public transport along SH 6A. To support public transport and to restrain private vehicle use, appropriate land use patterns are needed. Most importantly is the location of higher density activities adjacent to public transport routes. In relation to Queenstown and Frankton, public transport will work best when there are two viable destinations at either end of the corridor (i.e. CBD and Frankton). A public transport route along Frankton Road also opens up the opportunities to locate more visitor accommodation along Frankton Road and at Frankton, rather than have it all grouped in the CBD area.

In Wanaka, similar issues exist. To limit congestion in and around the town centre, it is likely to be beneficial to locate some visitor accommodation outside the CBD environs, for example locate it adjacent to the proposed 3 Parks retail centre.

3.1.3 HOPE Strategy

This strategy was adopted by the Council in June 2005. The strategy seeks to tackle the problem of a growing lack of affordable housing in the district through a range of mechanisms, including financial and planning-based actions.

The background work to the Strategy noted that the costs of housing in an area can often be inflated by a limited supply of land. In the case of the QLDC area, council projections showed that while the district had substantial capacity to add more housing, there were many demands on residential land, including visitor accommodation, second homes, holiday homes, and short term rental for seasonal workers, as well as homes for permanent residents. These demands were obviously putting upward pressure on the land market.

The council is currently in the process of setting up a Housing Trust, as recommended by the Strategy. The purpose of the Trust will be to provide a range of affordable homes (rental and ownership) for qualifying residents. It is also negotiating with developers, on a one-by-one basis to obtain voluntary agreements that will provide the Trust with money, land or housing units. The Trust will use a range of mechanism to ensure that housing provided by it remains affordable in the long term.

Another action was a need to look at the extent of visitor accommodation development in the High Density Residential zone, and whether this was limiting options for higher density residential developments.

3.1.4 Residential Issues Study

This study was prepared in November 2004 as a basis for Proposed Plan Change 10 (which is discussed elsewhere in this report). The study reviewed a range of design issues that were occurring in the residential zones of the district, particularly in relation to multi-unit development in the higher density zones surrounding the Wanaka and Queenstown CBDs.

One of the issues that the study addressed was whether there should be further distinction between visitor accommodation and residential developments in terms of District Plan provisions.

The study made a number of recommendations in relation to the design of visitor accommodation and other forms of multi-unit development. On the issue of whether visitor accommodation should be singled out for particular attention, the report concluded that while there where a range of community and social wellbeing issues related to visitor accommodation in residential zones, these issues needed to be weighed up against the positive economic benefits of visitor accommodation units.

The report recommended making it harder to establish visitor accommodation units in the lower density residential zones, but to leave the current provisions

related to visitor accommodation in higher density zones as they stand, subject to changes related to design.

In a review of the study commissioned by the Council, it was noted by both reviewers (who included one of the authors of this report), that there were a range of adverse effects of visitor accommodation that should be addressed, including design issues, as well as growth management and community cohesion issues. These issues were all identified in the District Plan (to one extent or another) at a policy level, but were not necessarily taken through into zoning provisions. The reviewers noted that any move to adjust the plan provisions relating to visitor accommodation would need to be done in a context that considered economic, as well as community impacts.

3.1.5 Growth Options Study

This study was carried out over 2004 and identified the growth pressures that the district faced, and the consequences of these pressures and options to address them.

In relation to residential and visitor accommodation pressures, the study noted that in the short to medium term, the zones in the district could provide enough space to accommodate anticipated demand for:

- A proportion of visitor accommodation units in residential areas
- Homes for permanent residents
- Second and holiday homes.

However, growth patterns and trends suggested that development would be uneven. There was a danger that visitor accommodation units would dominate the areas in and around the two CBDs, leading to unbalanced communities in these areas, and making the CBDs less attractive community hubs.

There were also concerns that by “crowding out” permanent residential development from the higher density areas, an opportunity to provide more affordable homes for residents was being lost.

Together the two forces – the search for more affordable housing, and a movement away from the CBDs – could fuel urban sprawl.

In the longer term, the study confirmed the need for additional housing and commercial capacity in Frankton in Queenstown, and in a new town centre and greenfields area in Wanaka.

The study suggested a twin centre strategy for both urban settlements (that is two centres in both Queenstown and Wanaka). Both centres should have a mix of activities, providing residential and visitor accommodation development.

To this end, the Study suggested one action could be along the following lines:

..new visitor accommodation in and around the Queenstown Bay area could be better managed by restricting its location to carefully selected areas close to the CBD and in pockets along Frankton Road. The aim could be for a rough 50/50 balance between new visitor accommodation units and dwellings for residents. As part of this, there could be some relaxation of height controls in specified places (4 to 6 storeys in height in places) to allow for more intensity but also more green space around buildings.

3.1.6 Wanaka 2020 and Tomorrow's Queenstown

These community planning workshops were held in 2002 and 2003. They both developed visions and outcomes for the respective centres and a range of strategies and actions to achieve them.

The outcome statements formed the basis of the community outcomes listed in the LTCCP. Many of these actions have been picked up in the Growth Options study, the Hope Strategy and Residential Issues Study, and have informed the actions set out in the LTCCP.

3.1.7 Development Contributions

Over the past few years the council has instigated a development contributions policy under the Local Government Act 2002. It has also reviewed its rating policy. Both these policies affect visitor accommodation.

Under the development contributions policy, visitor accommodation developments now pay a similar levy as to that of multi-unit residential development. This is a change from previous policies that saw visitor accommodation development pay much less than a residential development of similar scale. This was because multi-unit developments paid a levy on the basis of the number of units provided, while the levy for Visitor Accommodation units was on the basis of a per 100m² GFA rate.

As noted in the council's Contributions Policy, in order to make housing more affordable, as well as to clearly define relative impacts, multi-unit residential developments now have their contributions calculated on a per 100m² GFA basis.

Contributions are generally required in respect of:

- Water supply
- Wastewater
- Stormwater

- Roading
- Reserve Land
- Reserve Improvements
- Community facilities.

Visitor accommodation developments pay a higher contribution, on a per 100m² GFA basis, than multi-unit developments, in respect of water supply network factors, reserve improvements and roading. The higher contributions reflect additional demands on the district's infrastructure. However, in effect the actual differential between visitor accommodation developments and residential developments is minor.

3.1.8 Rating Policy

The council adopted a revised rating policy in July 2006 that imposed increased differential rating levels on visitor accommodation units. This reflects additional maintenance and operating costs associated with visitor accommodation units, in comparison to residential developments.

Two categories of visitor accommodation are provided within the rating policy to reflect the difference between commercial operations and the use of residential properties as visitor accommodation:

***“Accommodation:** All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).”*

***“Mixed Use Apportioned:** All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:*

- a) the physical portion of the rating unit used for the purpose, or*
- b) the amount of time (on an annual basis) that the rating unit is used for the purpose.*

Note: The Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.”

The Mixed Use Apportioned rate covers properties used for part of the year as visitor accommodation.

The differential levels for both categories of accommodation are higher than those required for residential activities (general rate, roading rate, water supply rate), with the highest increase attributed to the Accommodation category. The reasoning behind rating these properties at a higher differential than residential include:

- a) These properties are competing directly with commercial accommodation operators and should therefore pay equivalent rates
- b) These properties should pay the Tourism Promotion rate because they benefit from the destination marketing activities
- c) These properties have high occupancy at peak times creating more demand on Council services.

4 Growth Management

This section of the report provides an overview of the district's future (in terms of population and visitors) and the implications of this for the provision of visitor accommodation.

The growth projections presented are drawn from a number of sources, including the Council's LTCCP, as well as recent 2006 census results and the most recent data on visitor numbers.

4.1 LTCCP

The council's LTCCP (which is based on figures prepared in 2004) provides some information on the location of visitor accommodation units, as well as projections out to 2026.

The LTCCP also notes that there is a considerable difference between average and peak day populations, with peak day population of visitors and residents being at least 1.6 times higher than average rates.

The LTCCP provides the following projections of visitors staying in commercial accommodation units for both the Wakatipu and Wanaka Wards.

The distribution of visitor units described in the table below reflects the information available at the time of the projections on the location of units, as well as judgements as to what a desirable spread of visitor units may be.

For the Wakatipu Ward, visitor units are expected to grow from around 6,000 units in 2001 to 9,300 units by 2026. This appears to be a relatively modest increase (52%), given that the number of visitors is expected to grow by 132%.

Table 1 LTCCP (2006) Visitor Unit Projections

Ward	Area		2001	2006	2011	2016	2021	2026
Wakatipu Ward	Queenstown	Frankton Flats	671	751	834	920	1024	1109
		Frankton Rd	1302	1342	1365	1375	1388	1504
		Kelvin Heights	32	67	107	153	208	226
		QT Bay	3460	3524	3534	3504	3470	3759
		Quail Rise	0	0	0	0	0	0
		Sunshine	103	242	403	588	807	874
	Arrowtown	Arrowtown	119	161	207	259	321	348
	Arthurs Point	Arthurs Point	24	150	297	467	668	724
	Lake Hayes	Lake Hayes	0	17	37	60	87	94
	Millbrook	Millbrook	8	8	8	9	9	9
Wakatipu	Wakatipu	429	489	550	616	694	752	
Wakatipu Ward Total			6148	6751	7341	7950	8674	9397
Wanaka Ward	Wanaka	Beacon Point	200	234	301	371	450	549
		Central	499	500	535	535	619	613
		Wanaka South	200	457	860	1387	1757	2517
		Wanaka West	1098	1106	1192	1204	1395	1401
	Albert Town	Albert Town	0	0	0	0	0	0
Wanaka Ward Total			1996	2298	2888	3497	4221	5080

Source: QLDC LTCCP

4.2 Recent growth patterns.

The district has grown strongly over the past five years, recording one of the highest growth rates in the country. Table 2 sets out provisional data from the 2006 census, in terms of residential dwellings. The table lists the statistical Area Units in the district and the number and percentage change of occupied residential units between 2001 and 2006.

Table 2: Provisional 2006 Census Results

Area Unit	2001 Occupied Dwelling Count	2006 Occupied Dwelling Count (Provisional)	Change	% Change
Hawea	468	690	222	47.4%
Frankton	666	710	44	6.6%
Wanaka	1,446	2,100	654	45.2%
Glenorchy	216	230	14	6.5%
Kelvin Heights	339	410	71	20.9%
Sunshine Bay	687	870	183	26.6%
Wakatipu	570	940	370	64.9%
Lake Hayes	72	100	28	38.9%
Matukituki	114	150	36	31.6%
Arrowtown	690	870	180	26.1%
Queenstown Bay	813	930	117	14.4%
Queenstown Hill	981	1,230	249	25.4%

Source: Statistics NZ

In the Queenstown / Wakatipu area, strong residential growth has been recorded in the Arrowtown, Lake Hayes and wider Basin areas. Queenstown Hill has also recorded reasonable growth. In Wanaka, residential growth has been much more suburban in nature.

Visitor numbers have also been growing strongly and are forecast to continue. Between 2005 and 2011, the Tourism Research Council estimate that total visitor nights for the Queenstown Regional Tourism Organisation (RTO) area will grow by just over 2.8% per annum. For the Wanaka RTO, an annual growth rate of 1.9% is expected in terms of total visitor nights.

The demand that this growth will place on the visitor accommodation sector is dependent upon a range of factors, including the number that will stay with

family and friends, in private houses rented out for short stay visitors or in camping grounds and similar forms of more informal accommodation.

The Commercial Accommodation Monitor (CAM), which covers all forms of commercial accommodation in the QLDC / Central Otago Region, indicates that the number of visitors (guest nights) staying in hotels and motels is steadily increasing, while other forms of commercial accommodation are either in decline, or stable.

Table 3 Guest nights by type of commercial accommodation, for QLDC / Central Otago RTOs

Type of Accommodation	May-2005	May-2006	Change %
Backpackers	36,102	36,297	0.5%
Caravan Parks	17,908	19,291	7.7%
Hosted (Home Stay)	2,557	1,658	-35.2%
Hotels	65,552	74,796	14.1%
Motels	23,856	24,414	2.3%
Total	145,975	156,456	7.2%

Source: Statistics NZ

The CAM does not provide a break down between accommodation provided in hotels and motels, and that provided through lettable apartments. The classification system used indicates that self catering accommodation, such as serviced apartments, fall under the “motel” definition.

The CAM does not specify the location of the units, and in particular the zoning of the relevant facility.

4.2.1 Location of Visitor Units

An estimate of the current location of visitor units can be made by assessing Statistics New Zealand data on employment, as well as council data relating to what properties are rated as visitor accommodation.

Both approaches are not comprehensive, in that they tend to capture the larger commercially-orientated accommodation facilities, and miss the smaller home stay operations as well as private residences that are rented out to visitors for short periods of time.

The following table lists the amount of employment in the visitor accommodation sector within the census area units of the district.

At a district-wide level, Statistics New Zealand recorded 2,240 people employed in the sectors covering hotels, motels, and backpackers. We know

from the CAM that there are just over 9,300 visitor units in all categories for the QLDC area. Reference to regional level figures suggests that around 30% of these units will be in the form of private residences and camping grounds. Thus perhaps 6,500 are in the core visitor accommodation sector (hotels, motels, apartments), giving a ratio of almost 2.7 units per employee. This ratio can be used to help estimate the number of units at an Area Unit level. See Table 4.

Table 4 Estimated Visitor Units for the Queenstown Area

Area Unit	Employment in Accommodation Sector	Number of Units (estimated)
608304 Hawea	65	176
608700 Frankton	50	135
608800 Wanaka	300	811
609012 Glenorchy	90	243
609022 Kelvin Heights	18	49
609023 Sunshine Bay	205	554
609026 Skippers	270	730
609028 Lake Hayes	3	8
609029 Matukituki	35	95
609200 Arrowtown	20	54
609301 Queenstown Bay	380	1028
609302 Earnslaw	955	2583
Total	2391	6467

Source: Statistics NZ and Hill Young Cooper Ltd

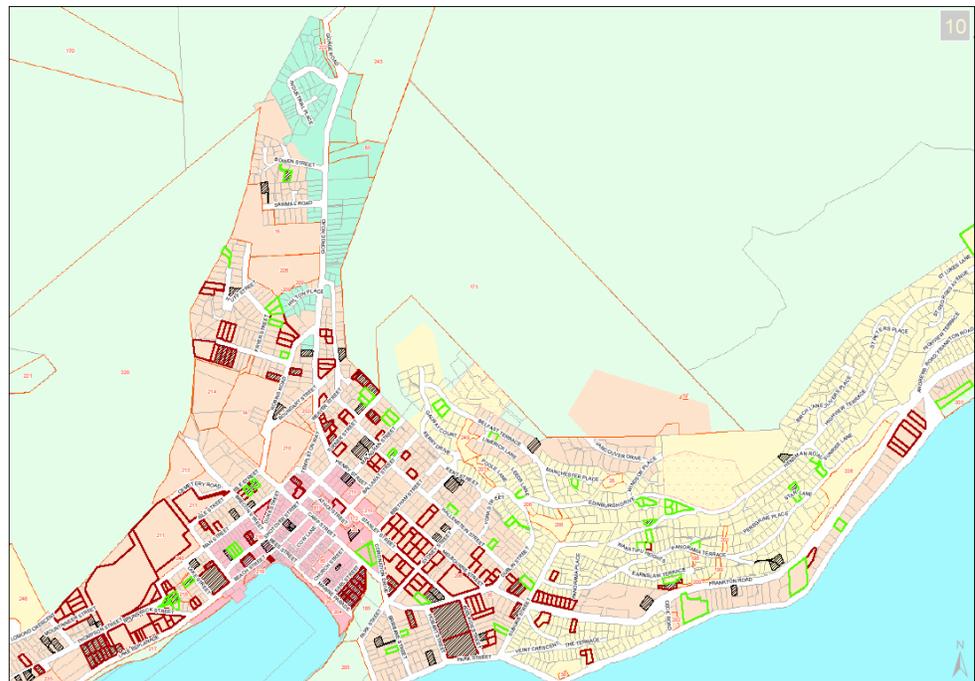
In the Queenstown / Wakatipu area, the employment data further suggests that around 1,500 units are located in commercial areas, out of a total of around 4,500 units that are in the urban area. The other 2/3^{ds} are therefore likely to be in appropriate sub zones, or in the residential zones.

For this project, the QLDC has reviewed its rating and resource consent data bases relating to visitor accommodation to help define the location of visitor accommodation units. It has also checked data held by Quotable Value NZ.

In Queenstown, this information indicates a clustering of visitor accommodation units around the Queenstown CBD area and the CBD end of Frankton Road. The map below shows the Queenstown CBD area. Highlighted in red are sites which are rated as visitor accommodation units. Outlined in green are sites where resource consents for visitor accommodation have been granted. The extent of visitor accommodation development in the Higher Density Residential zone is apparent. Visitor accommodation units now occupy approximately 30% of the Higher Density Residential Zone.

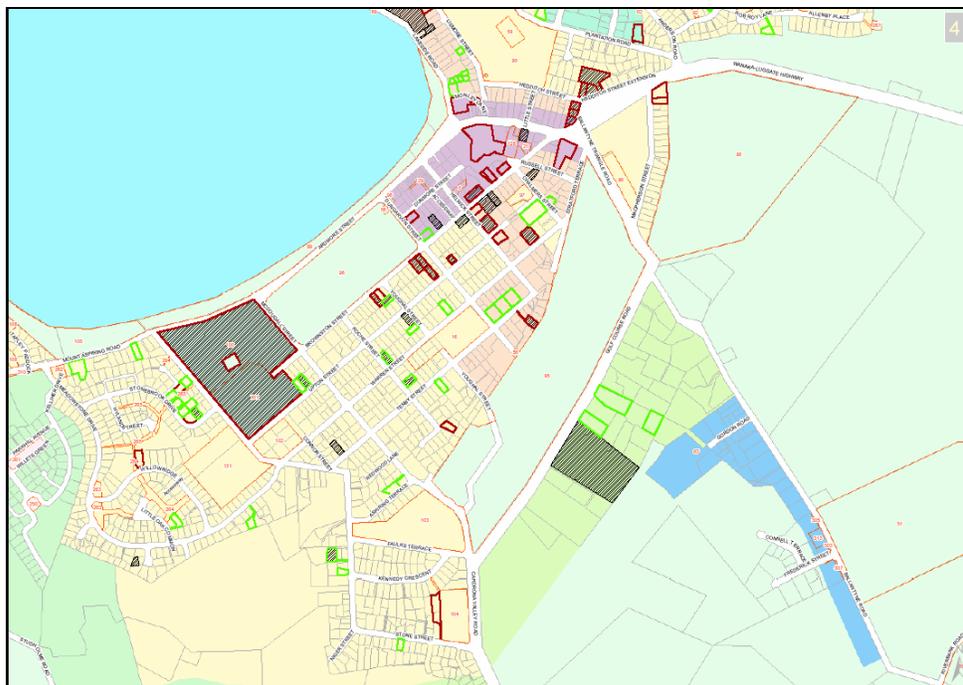
A similar map for the Wanaka town centre shows less of a concentration.

Figure 1 Location of Visitor Accommodation Units – Queenstown CBD



Source: QLDC

Figure 2 Visitor Accommodation Units in the Wanaka CBD area



Source: QLDC

The number of visitor units in the Wanaka area is harder to gauge than in Queenstown, because of the predominance of visitor accommodation provided by home stay and stand alone homes rented out to visitors.

Employment data indicates 300 people are employed in the commercial visitor accommodation sector in Wanaka, which may translate into 800 units. The CAM lists 2,900 visitor units for the Wanaka RTO, but many of these will be in the form of camping ground sites and home stays. No detailed break down is available as to how much is provided by motels, hotels and similar.

4.3 Growth Pressures

The Queenstown Lakes District is experiencing high rates of business and residential growth, some of the highest rates in the country. Highlights cover:

- Between 2001 and 2006, the provisional census results indicate a growth in the population of around 30%. Occupied dwellings have increased by the same amount. Important growth areas have been Arrowtown and the rest of the Basin, Lakes Hayes Estate, Queenstown Hill, Wanaka and Hawea.
- Building permit data indicates that a total of 3,478 dwelling units were consented to between 2001 and 2006. The census records an additional 2,171 occupied dwellings. The difference will be accounted for by second

homes and holiday homes not occupied on the night of the census, as well as residential units used as visitor accommodation units. 954 of the new dwellings were listed as terrace house and apartments, many of which may be devoted to the visitor, rather than resident, market.

- At the same time the number of workers (full time and part time) has increasing by 46% between 2001 and 2005, with a noticeable trend being the growth of the construction and business services sector. Employment in the café / accommodation still remains important, with 30% of people employed in this sector, compared with 6% nationally.
- The number of visitors (domestic and international) has grown less fast than population or employment, with visitor nights recording a 12% growth between 1999 and 2004. International tourism has been growing faster than domestic tourism. At a district level around 60% of these visitors stay in commercial accommodation, with hotel and motel-type accommodation accounting for 60% of these visitors.

Forecasts are for continued rapid growth of all three main elements of demand:

- Statistics New Zealand population projections (which are based on the 2001 census and will need to be updated to reflect the period 2001 to 2006) suggest a population for the Queenstown / Wakatipu area of around 26,000 by 2026 (up from 17,000 in 2006), and for the Wanaka / Hawea area of 12,700 (from an estimated base of 7,000 in 2006). For the Queenstown / Wakatipu area, forecasts used by the council suggest a population of more in the order of 35,000 by 2026.
- Visitor projections prepared by the Tourism Research Council suggest for the Queenstown area, total annual quest nights climbing from 3.488m in 2004 to 4.231m in 2011. For the Wanaka area, the same figures are 1.422m in 2004 climbing to 1.620m by 2011. No official projections are available out past 2011. Destination Queenstown have a target of maintaining guest night growth at around 4% per annum. A 3% annual growth rate is assumed in this report, reflecting the more modest growth rates seen over the past 5 years.

To reflect and sustain this level of population and visitor growth, employment is likely to continue to grow, with total people employed in the district lifting from 13,000 in 2006 to 32,000 by 2026.

These numbers can be translated (roughly) into demands for houses and visitor accommodation units.

The following tables set out the estimates for the number of residential units and visitor accommodation units, for 2006 and 2026, first for Queenstown / Wakatipu area, then for the Wanaka area.

For residential units, the projections are consistent with those set out in the LTCCP, but take into account the most recent 2006 census results. An allowance is provided for second homes and holiday homes. That is, the number of residential units needed to house the usually resident population is factored up to allow for other forms of residential units.

For visitors, updated projections of visitor units have been prepared, and these projections attempt to more closely define the demand for core visitor accommodation units, that is units provided by motels, hotels, backpackers and serviced apartments. The number of visitors is similar to the projections set out in the LTCCP. What is different is the projected demand for visitor units. A number of assumptions have been made as to the proportion of visitors staying in commercial accommodation (that is, not staying with family or friends, or in accommodation not covered by the CAM monitor, such as houses let for short periods of time over part of the year).

Table 5 Estimated private dwellings – Queenstown / Wakatipu

Element	2006	2026
Usually resident population	17170	34575
Occupied Dwellings	5561	14713
Ratio of Occupied to unoccupied dwellings	1:0.33	1:0.2
People per occupied dwelling	3.09	2.35
Unoccupied Dwellings	2739	2943
Total Dwellings	8300	17655
Change 2006 to 2021		9355

Source: Hill Young Cooper Ltd

**Table 6 Estimated visitor accommodation units –
Queenstown / Wakatipu**

	2006	2026	Change
Total Guest nights	3,476,691	7,088,377	3,611,686
Per day (average)	9,525	19,420	9,895
% of guest nights in CAM units	60.0%	70.0%	
Number staying in CAM units (average)	5715	13594	7879
Number of CAM units	6744	16041	9297
% in Hotels, Motels, Backpacker Units	78.9%	85.0%	
Number of Motel, Hotel, Backpacker Units	5324	13635	8311

Source: Hill Young Cooper Ltd

Table 7 Estimated private dwelling – Wanaka

Element	2006	2026
Usually resident population	7120	12720
Occupied Dwellings	3030	5530
Pop / Occupied Dwellings	2.35	2.30
Ratio occupied to unoccupied	1:0.6	1:0.5
Unoccupied Dwellings	2739	2943
Total Dwellings	4848	8296

Source: Hill Young Cooper Ltd

Table 8 Estimated visitor accommodation units - Wanaka

	2006	2026	Change
Total Guest nights	1,429,190	2347452	918,262
Average per day	3,916	6,431	2,516
% of guest nights in Cam Units (estimated)	50.0%	60.0%	
Number staying in CAM units	1958	3859	1901
Number of CAM units	2310	4553	2243
% in Hotels, Motels, Backpackers	60.0%	70.0%	
Number of Motel, Hotel, Backpacker Units	1386	3187	1801

Source: Hill Young Cooper Ltd

The projections suggest a higher demand for visitor units in the Queenstown / Wakatipu area than those set out in the LTCCP. For Wanaka, there is more similarity between the figures.

4.4 Location and capacity for growth

Work undertaken by the council (residential capacity model), as well as work currently underway looking at the Wanaka Structure Plan and Frankton Flats, has highlighted that current and anticipated zonings provide for the level of development set out above.

For residential development, considerable capacity is available within Higher Density Residential zones. Identification of large lots, being those over 0.2 hectares, within the Low Density Residential Area of Queenstown, Wanaka and Arrowtown indicate that there is also significant potential for comprehensive residential development to occur in these areas.

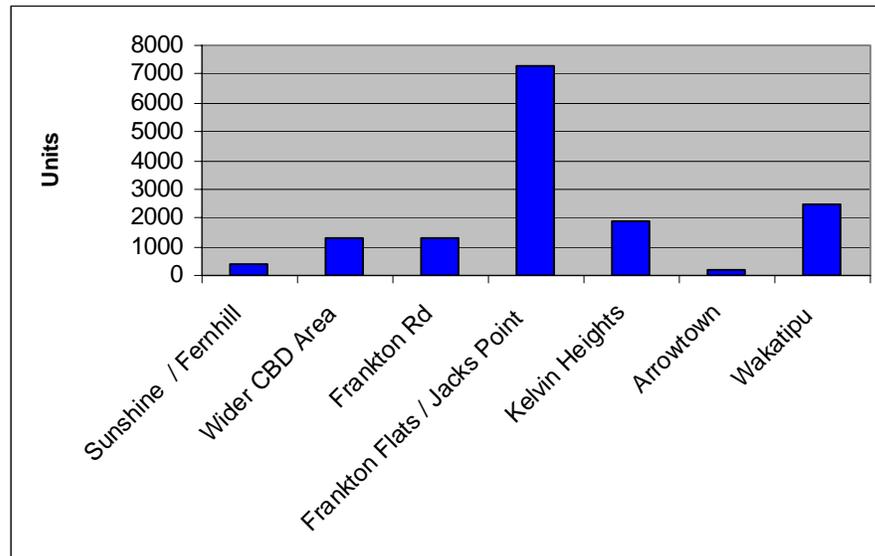
Visitor accommodation development can occur in town centres, relevant sub zones and in the higher density residential areas.

4.4.1 Queenstown / Wakatipu

The following graph shows estimated capacity by broad residential zone, for the Queenstown / Wakatipu area. This capacity includes anticipated re zonings in the Frankton area, associated with the Five Mile development. The figures

relate to additional growth that could be accommodated in the various areas listed.

Figure 3 Growth Capacity: Residential areas



Source: QLDC

Total capacity is in the order of 15,000 additional units. The above figures suggest a demand for around 9,300 residential units, leaving some capacity for visitor accommodation units in residential areas (up to 5,500 units),

However, demand for visitor units in residential areas could exceed this (given that total demand is estimated to be in the order of a further 8,000 units between 2006 and 2026). If there are capacity constraints elsewhere on other zones, then most visitor accommodation will have to be accommodated in residential areas.

There will be a number of consequences for growth management of this. Most importantly, the housing capacity that is available within the wider CBD area is likely to be mostly taken up by visitor accommodation units.

The capacity figures above suggest that there will have to be a substantial shift in the market towards the Frankton area in the next 10 years. Many local commentators see the Frankton area developing as the main resident hub, with the CBD developing as the tourist hub.

The Growth Options work of 2004 identified this issue, as did Tomorrow's Queenstown. In both cases, community response to the issue sought to retain a mix of activities in and around the CBD. That is, people were worried that the

town might divide into two if the CBD become too focused on the needs of visitors.

On the other side of the coin, if Frankton is to develop into a new CBD, then people felt that this area should also have a mix of people and activities. Visitor Accommodation should also be part of this mix.

The capacity to accommodate additional visitor accommodation units in these new and expanded centres in the Frankton area is unknown. However, substantial capacity exists in the Remarkables Park area, and as part of the Proposed Five Mile development.

4.4.2 Wanaka

In Wanaka, the council is currently considering the Wanaka Structure Plan. This Plan, if fully implemented, would add considerable capacity to the area in terms of development potential, significantly in excess of the above demands.

While Wanaka has more options than Queenstown in how it can respond to growth pressures, the same issues arise. The High Density Residential zone around the Wanaka town centre has capacity to absorb a further 440 dwelling units. As with Queenstown, the demand for visitor accommodation units could easily take up most of this demand. Similar issues regarding the role and function of the CBD exist, that is, will it be a mixed resident and visitor hub, or will it become dominated by the visitor sector?

The Wanaka Structure Plan identifies the need for a new town centre (the proposed 3 Parks centre). Options exist for this centre to be the location of additional visitor accommodation units, as well as around the current town centre.

In the low density residential zones, given the expected growth in residential demand (a further 4,000 dwellings), and additional 1800 visitor units in the residential areas is unlikely to trip the balance in terms of the loss of residential coherence. However, there is the potential for these visitor units to become clustered in some areas, concentrating the effect.

5 Current District Plan Provisions

The Queenstown Lakes District Council District Plan became "partially operative" in September 2003. The District Plan contains a variety of zones and sub zones, addressing the diverse landscapes and environments of the Queenstown Lakes District, ranging from town centre to rural and special purpose zones.

This section of the report discusses the current statutory framework that applies to visitor accommodation.

5.1 Overview of the Plan

The District Plan is structured around different land use zones. In considering the provisions that apply to visitor accommodation and which could be used to promote community housing, it necessary to consider, in relation to each zone:

- Objectives and policies
- Activity status
- Site standards
- Zone standards.

These provisions can be described as follows:

- Objectives and policies set the overall direction for the management of development within the district, and within specific zones. Objectives and policies become important when developments are proposed that do not comply with the usual rules and provisions for the zone.
- Activity status determines whether an activity (land use) is permitted, subject to compliance with relevant site and zone standards, or whether it will be subject to resource consent procedures. Generally if an activity complies with all the relevant site and zone standards, and it is not identified as controlled, discretionary, non-complying or prohibited, then it is a permitted activity. Where consent is required, the Plan specifies the issues that need to be considered.
- Site standards are specified in relation to matters which tend to impact on the use of the particular site or adjacent sites. All activities which fail to meet these standards are discretionary activities

- Zone standards are standards which are fundamental to environmental standards or character which are to be attained for a zone or area. All activities which fail to meet these standards are non-complying activities.

The subdivision provisions of the Plan are also important. Chapter 15 of the District Plan states that there “shall be no permitted subdivision activities”. In other words, all subdivisions require some form of consent. Generally subdivision is a controlled activity where it can comply with site and zone standards (such as lot sizes and dimensions). In many zones, subdivision is identified as discretionary regardless of compliance with standards (i.e. Gibbston Character). As with other activities, if subdivision is unable to comply with site standards consent is required as a discretionary activity or as a non-complying activity if zone standards are not met.

5.2 Visitor Accommodation

5.2.1 Objectives and policies

District wide issues, objectives and policies are identified in Chapter 4 of the District Plan. Objective 4 addresses business activity and growth, with a policy specifically seeking to promote existing and proposed town centres as the principle foci for commercial, visitor and cultural activities. Specific objectives and policies relating to visitor accommodation are also provided:

“To enable visitor accommodation activities to occur while ensuring any adverse effects are avoided, remedied or mitigated.” (objective 5)

“To manage visitor accommodation to avoid any adverse effects on the environment” (policy 5.1)

Implementation methods identified in this section seek the provision of sub-zones and provisions controlling visitor accommodation activities. The explanation and reasons recognise the value of the visitor industry and implications for growth management.

Throughout the District Plan are a variety of relevant objectives and policies, which essentially seek to ensure that development is compatible with the natural environment, and protect amenity values in general. A number of specific objectives and policies also exist, addressing visitor accommodation within different zones, for example:

Policy 8 of Section 7.2.3 relates to the residential areas of the district. It states:

“To ensure the scale and extent of any new Visitor Accommodation in the residential areas does not compromise residential amenity values.”

The explanation and reasons note that these policies recognise the importance of the living environment to the social wellbeing of the district’s residents.

Other specific objectives and policies apply in the Special Zones, such as Jacks Point, Penrith Park, Bendemeer, and Remarkables Park zones. These policies seek to ensure visitor accommodation reflects the characteristics of these areas, for example:

“To enable development of an integrated community, incorporating residential activities, visitor accommodation, small-scale commercial activities and outdoor recreation – with appropriate regard for landscape and visual amenity values, servicing and public access issues.” (Jacks Point 12.1.4 – Objective 3ⁱ)

“To provide for the establishment of low density visitor accommodation in a rural setting where, low density development can demonstrate compatibility with the zone objectives and where the effects on the environment will be similar to low density residential development” (Penrith Park 12.6.3– Policy 3)

“Avoidance of proliferation of visitor accommodation and/or commercial activities.” (Bendemeer 12.8.3 – Policy 5)

Overall, the objectives and policies of the District Plan do not provide particularly strong direction on appropriate location of visitor accommodation, being reliant on more general provisions to do with amenity values, transport and natural character. Although visitor accommodation is recognised in some objectives and policies, as appropriate, there is no encouragement of it or recognition that it is an important resource for the district.

Proposed Plan Change 10 introduces new objectives and policies for multi-unit residential and visitor accommodation that deal with residential amenity and design of intensive developments. The following are identified as particularly relevant to visitor accommodation (Residential 7.1.4.2):

“Multi-unit developments that are designed to a high standard, integrate well with their neighbourhood and streetscape, are located where they are supported by physical and social infrastructure, and any adverse effects on amenity values are avoided where possible.” (Objective 2 - Multi-Unit Developments)

“To ensure that multi-unit developments are designed to achieve all of the following:

- Effectively incorporate existing significant vegetation and landforms*
- Effectively cater for traffic, parking and servicing*
- Mitigate any reverse sensitivity effects arising from the proximity of non-residential activities in the vicinity*

- *Incorporate suitable crime prevention through environmental design techniques in their layout and methods of access,” (Policy 3)*

The activity status of visitor accommodation in specific zones provides the greatest guidance as to where such activities may be best located.

5.2.2 Activity Status

As an activity, visitor accommodation is generally provided for either as a controlled or discretionary activity.

Table 9 on the following page lists the activity status of visitor accommodation, by zone. For comparison purposes, the activity status of multi-unit and residential development is also listed.

Visitor accommodation is generally a controlled activity in high intensity activity zones and sub-zones, and is only permitted in specific zones such as Business, Millbrook Resort and Jacks Point. Within those zones where the activity status is permitted or controlled, the District Plan effectively encourages such activities by reducing consenting requirements, and limiting control to matters primarily of external appearance, scale, traffic generation and hours of operation.

In the low density zones and rural character zones visitor accommodation is a discretionary activity, but in some zones it is non-complying, being discouraged in order to protect significant landscapes or a specific activity mixes.

Proposed Plan Change 10 considers multi-unit developments to include visitor accommodation units, and as such requires consent as a restricted discretionary activity if they breach zone standards such as the number of units provided for in the High Density Residential sub-zones. While visitor accommodation is currently controlled in High Density Residential zones, this plan change introduces greater discretion to the council in these new sub-zones.

Table 9: Summary of Activities

Activities	Rural General	Rural - Ski Area Sub Zone	Rural - Gibbston Character	Queenstown Airport	Residential - Low Density	Residential – High Density	Residential – Arrowtown Historic Management	Rural Living Areas	Townships	Town Centre – Queenstown	Town Centre – Wanaka	Town Centre – Arrowtown	Town Centre – Corner Shopping Centre	Business	Industrial ⁱⁱ	Millbrook Resort	Waterfall Park Resort	Jacks Point Resort	Rural Visitor	Penrithe Park	Bendemeer	Remarkables	Quail Rise	Meadows Park	Frankton Flats
Visitor Accommodation	D	D	D	PR	D ⁱⁱⁱ	C	C ^{iv}	C ^v	C ^{vi}	C	C	C	D	P	NC	P	C	P	C ^{vii}	D	D ^{viii}	C ^{ix}	D	R ^x	R
Residential	P	P	D ^{xi}	PR	P	P	P	P ^{xii}	P	P	P	P	P	P	P	P ^{xiii}	D ^{xiv}	P ^{xv}	P ^{xvi}	P ^{xvii}	NC	C ^{xviii}	C ^{xix}	P	R ^{xx}
Multi-unit Development						R																			
Residential Flat	C	C		PR				C	NC	P ^{xxi}	NC	NC	NC	NC		NC	NC			NC					

Note: Endnotes are provided in Appendix II on page 49.

P= Permitted; C = Controlled; D = Discretionary; R = Restricted Discretionary; NC = Non-Complying; PR = Prohibited

Table 10 and Table 11 list the matters which the District Plan controls and the criteria considered when assessing applications for visitor accommodation. Table 10 lists the matters that the council restricts its control to in relation to controlled activities, while Table 11 lists relevant matters in relation to discretionary activities.

Table 10: Matters of Control

Matters of control	Zones where Visitor Accommodation is a Controlled Activity				
	Residential (Low & High)	Townships	Town Centres	Remarkables Park	Rural Visitor Special
Location, external appearance and design of buildings	X	X	X		
Location, nature and scale of activities on site	X			X	
Location of parking, buses and access	X	X	X	X	X
Noise, vibration, lighting and loss of privacy	X			X	
Hours of Operation	X			X	X
Setbacks (roads and internal boundaries)		X	X		X
Landscaping	X	X	X		X
Screening (outdoor storage and parking areas)		X	X		X
Traffic Generation				X	
Compatibility with surrounding activities	X			X	
Litter and waste and cumulative effects in conjunction with other activities in the vicinity				X	
Safety				X	
Flood Risk					X
Windermere – airport noise					X

It should be noted here that as a restricted discretionary activity for multi-unit developments under Proposed Plan Change 10, the council restricts its discretion to matters including the location, external appearance and design of

buildings; location of development; nature and scale of landscaping; parking and access; relationship of the building to the street, other public areas, and neighbourhood.

Table 11: Summary of Assessment Criteria

Assessment Criteria	Rural General	Rural - Ski Area Sub Zone	Rural - Gibbston Character	Residential - Low Density	Rural Living	Townships	Town Centres	Millbrook Resort	Waterfall Park Resort	Jacks Point Resort	Rural Visitor	Penrithe Park	Bendemeer	Quail Rise	Meadows Park	Frankton Flats
Noise, vibration and lighting from vehicles	X	X	X	X	X	X	X	X	X	X	X	X				
Traffic generation and safety	X	X	X		X	X	X	X	X	X	X	X				
Pedestrian safety	X	X	X	X	X	X	X	X	X	X	X	X				
Cumulative effect of traffic generation	X	X	X	X	X	X	X	X	X	X	X					
Loss of privacy	X	X	X		X	X		X	X	X	X					
Mitigation of traffic effects	X	X	X	X	X	X	X	X	X	X	X					
Visual amenity						X										
Compatibility with surrounding area				X			X									
Car parking including coaches				X		X								X		
Noise				X												
Landscape and amenity			X													
Location & orientation of buildings						X								X		
Adverse effects of any buildings																
Design and external appearance of buildings														X		

Looking at the above tables, the matters considered in assessing consents for either controlled or discretionary are similar. Of key concern in the District Plan is how visitor accommodation is designed and located to fit in with the surrounding environment, particularly when it is low density residential or rural, and traffic effects such as access, parking and generation.

Key assessment criteria for all types of activity status are:

- Adverse effects relating to noise, vibration and lighting from vehicles; privacy; traffic & parking; pedestrian safety
- Compatibility with amenity values of surrounding environment and/or visual amenity
- Noise emissions.

Nothing within the District Plan currently enables the council to explicitly consider the impact of the increasing amount of visitor accommodation within a particular area, or the effects this may have on residential coherence – apart from in Bendemeer where there is a specific policy relating to proliferation.

Under Proposed Plan Change 10, specific assessment criteria are introduced to assess visitor accommodation in High Density Residential sub-zones in line with the matters council has restricted its discretion to. Additional assessment criteria not previously considered include, proximity to social and physical infrastructure; relationship of the building to the street and neighbourhood; matters of urban design; and crime prevention measures such as lighting, are an integral part of the development.

5.2.3 Site and Zone Standards

Site and zone standards for visitor accommodation are generally the same as they are for residential development. Visitor accommodation does not come under the definition of a residential activity, and as such it is a non-residential activity. However, within High Density Residential zones visitor accommodation is treated the same way in many respects as a residential activity with very few specific performance standards.

By applying the same standards both to residential and visitor accommodation, the District Plan does not clearly distinguish between these activities and appears to consider that the effects are the same or similar. This lack of distinction is further strengthened by Proposed Plan Change 10 that defines units to include both residential and visitor accommodation. Although it is reasonable to expect visitor accommodation to conform to development on surrounding sites, this does not necessarily reflect the social effects on residential character by having concentrations of non-permanent occupants.

Table 12: Summary of site and zone standards for visitor accommodation

Summary standards of	Rural General	Rural - Gibbston Character	Residential - Low Density	Residential – Arrowtown Scenic Protection Area	Residential – High Density	Residential – Arrowtown Historic Management	Rural Living	Townships	Town Centres	Business & Industrial	Resort Zones	Jacks Point Resort	Rural Visitor	Penrithe Park & Bendemeer	Remarkables	Quail Rise	Meadows Park	Frankton Flats
Scale & nature						X	X	X				X		X			X	
Height	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Setbacks	X	X	X		X	X	X	X					X	X		X	X	X
Noise 0800-2000 (L10 50dBA) 2000-0800 (L10 40dBA and Lmax 70dBA)	X	X	X	X	X	X	X	X			X	X	X	X*	X*	X	X	
Noise 0800-2200 (L10 60dBA) 2200-0800 (50dBA L10 and 70dBA Lmax)									X	X								X
Screening (waste and parking)	X	X			X		X			X								
Building/Site coverage			X		X	X	X	X	X	X		X		X		X	X	X
Continuous building length (PC10)			X		X	X		X									X	
External appearance (materials, etc)			X	X	X		X	X										
Hours of operation			X	X	X	X											X	
Structure Plan											X	X			X	X		X

A summary of relevant site and zones standards that apply to visitor accommodation is provided in Table 10 on the previous page.

Specific visitor accommodation provisions are identified as follows:

- Residential: specific noise standards for visitor accommodation
Daytime 0800-2000 hours 50dBA L10
Night-time 2000-0800 hours 40dBA L10 and 70dBA Lmax
- Townships: building coverage up to 70% in visitor accommodation sub-zones otherwise 40%.
- Bendemeer: visitor accommodation in Activity Area (9) limited to one building with a maximum gross floor area not exceeding 3000m².
- Meadows Park: nature and scale standards require that at least one person engaged in the activity must reside on the site; no more than three full-time equivalent persons who permanently reside elsewhere than on the site shall be employed in undertaking any activity on the site; and no more than 60m² of the gross floor area of the buildings on a site shall be used for activities, other than residential activities.
- Lift Towers: no lift tower within a visitor accommodation development shall exceed the maximum height for buildings in the zone.
- Parking standards for visitor accommodation one parking space per unit (up to 15 units), and one per two units thereafter (where units include kitchen facilities), or 1 per 3 guest rooms (hotels). These standards are subject to Proposed Plan Change 8, which seeks to increase parking for all visitor accommodation. Proposed standards would require two car parks per unit for visitor accommodation (for units with kitchen facilities), and Backpackers would be required to provide one car park per 5 guests. A definition for Backpacker Hostel is also provided. Inability to comply with these standards would require consent as a discretionary activity.

A number of standards applying to non-residential activities are also relevant to visitor accommodation, such as noise, and nature and scale. Provisions relating to hours of operation do not appear to apply to visitor accommodation

- Noise standards vary, but all visitor accommodation is required to comply with them as a non-residential activity.
- Scale and nature standards apply to all non-residential activities throughout the district, primarily seeking to address issues relating to the effects of commercial and manufacturing type activities. As such

this standard does not directly apply to visitor accommodation, and in Rural and Residential zones visitor accommodation is excluded where it is a discretionary activity, or is located in a visitor accommodation sub-zone (Townships). These standards limit the maximum floor area of buildings, and require that no goods or materials are stored outside a building and that all work manufacturing and processing occurs within a building. It is within many of the Special Zones that the scale and nature standards become more applicable, and would result in visitor accommodation being a non-complying activity.

Site and zone standards introduced through Proposed Plan Change 10 applying to High Density sub-zones that are considered relevant to this discussion include:

- Maximum building coverage (45-65% depending on sub-zone)
- Continuous building length shall not exceed 16m
- Aggregate façade not exceeding 30m, including breaks
- Landscape coverage (20-40% depending on sub-zone)
- No visually opaque fencing within road setback to exceed 1.2m in height

6 National and International Examples

6.1 Visitor Accommodation in New Zealand

The following is a brief summary of how visitor accommodation is dealt with in some of the cities /districts in New Zealand.

City/District	Provisions
Auckland CBD	Under the Central Area District Plan, accommodation means both temporary and permanent accommodation. Visitor accommodation is permitted through out the Central Area. There are some restrictions on accommodation in particular precincts, such as the Britomart precinct where accommodation requires consent to ensure reverse sensitive issues associated with the proximity of the area to the Port are adequately managed.
Auckland Isthmus	<p>The Plan defines visitor accommodation as including motels, backpackers, and serviced rental accommodation. Hotels and tourist complexes that involve activities covered under the Sale of Liquor Act are separately defined.</p> <p>Visitor accommodation is a Discretionary Activity in the more intensive residential areas (Res 6 and 7 zone), and Business 2 and 3 zones. The plan notes that larger scale VA developments should be directed to locate on major roads, due to traffic generation. Particular attention is to be paid to the amenity of the surrounding neighbourhood. Buffer screening, landscaping, vehicle access, location of noise generators, and the visual impact on streetscape and neighbouring sites are required to be considered.</p> <p>In the main Residential 5 zone, visitor accommodation is a non-complying activity.</p>
Rotorua	<p>The District Plan recognises that increasing Rotorua’s market share of tourism will increase demand for tourist accommodation.</p> <p>Tourist accommodation is defined as comprises dining,</p>

City/District	Provisions
	<p>conference, camping and/or recreation activities where accommodation is a dominant component.</p> <p>The Plan establishes Resort Zones to provide for a concentration of tourist activities including tourist accommodation. Visitor Accommodation is permitted in three of these zones, and is a controlled activity in one.</p> <p>Visitor accommodation is a controlled activity in high density residential areas and specific mixed activity areas. These zones reflect existing tourist accommodation located in close proximity to tourist transportation routes. Matters of control relate to amenity and character. Otherwise visitor accommodation is a non-complying activity.</p> <p>In commercial areas tourist accommodation is provided for in some of the commercial subzones as a controlled activity, while it is discretionary or non-complying in others. Matters of control relate to parking and turning, and acoustic insulation.</p> <p>In the rural environments, tourist accommodation is discretionary apart from homestays, which are permitted.</p>
Nelson	<p>Tourist accommodation is permitted in a specific residential zone (Trafalgar Street/Hathaway Court) due to the historical provision of accommodation in this area and the existence of established facilities.</p> <p>Generally an activity status for tourist accommodation is not specifically identified within the zones, but activities are required to comply with the detailed performance standards.</p>

6.2 Visitor Accommodation in Resort Communities: Overseas examples of policy controls and planning restrictions.

This section describes policy developments and planning controls adopted (or under active consideration) in a number of communities. It starts by looking at the situation in a number of mountain resort communities in North America, that have similarities to Queenstown Lakes; and also considers recent initiatives in Australia and the U.K. Whilst concerns about visitor accommodation cannot be neatly divided into environmental, social and economic categories, it is clear

that some communities are developing innovative planning responses to specific concerns. For example, the Tahoe Regional Planning Agency has adopted a Tourist Accommodation Permit Process in response to the environmental challenge of degradation of Lake Tahoe. On the other hand, in Byron Bay (in New South Wales) the concern is about the social impact of visitor accommodation. In the UK, social and environmental concerns about the high proportions of visitor accommodation and second homes in rural communities is resulting in the development of land use planning policy and changes to local taxes, with further policies in the pipeline.

In all cases the examples involve different planning legislation to that which operates in New Zealand under the RMA. Therefore the examples set out are not directly transferable to New Zealand. However they do highlight the range of ways by which communities have addressed the same issues that confront QLDC.

6.2.1 Resort Municipality of Whistler, BC, Canada

Whistler has a high proportion of second-homes, with 4,020 dwellings or 53% of the total housing stock in 2001, in use as second homes. There have been two concerns: firstly the impact on housing affordability for residents, as the purchasing power of people from outside the community exceeds that of many local employees; and secondly, the large number of vacant dwellings, particularly noticeable in and around Whistler's centre. In response to this latter concern, the Municipality adopted a "warm bed" policy for condominium units, limiting the owner's use to a set number of weeks per year and requiring the units to be placed in a rental pool for a minimum period every year. All tourist accommodation in residential areas (from 1998) is required to be in operation "available for occupancy on a commercial basis as temporary lodgings to paying guests" for a minimum of 100 days per year.

Under Whistler's Visitor Accommodation Policy (1998), there are locational guidelines for Bed and Breakfasts, Pensions, Chalets and Villas. Employee restricted housing cannot be turned into tourist accommodation. Tourism accommodation in residential areas is restricted on a neighbourhood basis with a maximum of 15 tourism accommodation operations in a neighbourhood, and no more than five percent of the residentially designated lots in a neighbourhood for tourist accommodation. In addition, no more than 2.5 guests are allowed per guest room.

Key Points:

- The 'warm bed' policy
- Restrictions on the total number and percentage of Visitor Accommodation in residential areas

6.2.2 Banff, Alberta, Canada

The Town of Banff has 4.2 million visitors per year, and lies within the Banff National Park, a World Heritage Site. The large number of visitors is impacting on residents' quality of life, and the 8,000 resident population are supporting the provision of infrastructure for 16,000. Residency in Banff is restricted to people who are deemed as having a "need-to-reside".

Visitor accommodation is deemed a commercial activity and is limited to the "commercial lands" designated on the Town of Banff Community Plan Map. The amount of land so designated and density requirements etc, limit the amount of tourist "bed-spaces" in the town

All new commercial development is required to provide "required housing" at a rate of growth consistent with the rate of commercial growth.

There is currently a Community Plan Review Process underway, which started November 2005. A recognized community issue, identified in the first round of the community planning process, is the differing needs of permanent residents, short-term residents and visitors. An ongoing issue is that residents' quality of life is being overwhelmed by too many visitors, too much traffic, and too much commercial growth.

Key Points:

- Mandatory linkage zoning
- Visitor Accommodation restricted to commercially zoned land
- No second or holiday homes: residency restricted to "need-to-reside"

6.2.3 The Tahoe Regional Planning Agency

The Tahoe Regional Planning Agency (TRPA) has adopted a Tourist Accommodation Permit Process in response to the environmental challenge of the degradation of Lake Tahoe. With the exception of minor structural repairs to existing tourist accommodation units, almost all tourism accommodation proposals need a TRPA review. There are strong restrictions in place with regard to topographical issues, site coverage, and scenic impacts. In addition, Tourist Accommodation Units (TAUs, which are controlled in absolute number by the California Tahoe Conservancy) can only be obtained either by transferring from another site, or as Bonus Units – earned by the developer providing environmental improvements, that are not otherwise required by the development, under the community plan. TAUs include four types: Bed and Breakfast; Hotels /Motels and other transient accommodation; Timeshare (Hotel / Motel design – i.e. no kitchen) and Timeshare (Residential). The allowed

density of development of TAUs on a site depends upon which type is being proposed.

Key points:

- Cap on total number of Visitor Accommodation Units throughout the region
- New visitor accommodation units are only permitted by transfer from existing units or by additional environmental improvements

6.2.4 Byron Bay (in New South Wales)

In Australia, Byron Shire Council (NSW) has released a draft Local Environmental Plan (LEP) for Byron Bay. The council has considered a number of reports over the years on the adverse social impacts of holiday lettings in residential areas, and on policy options. There is concern about the impact of holiday lettings on residential amenity and on the cost of housing, particularly in Byron Bay. The proposal in the draft LEP will prohibit full-time (greater than 8 weeks per calendar year) holiday houses in residential areas. The draft LEP does this by defining full-time “holiday letting” and then not allowing it within residential and other zones. Short-term holiday letting (less than 8 weeks per year) will be permissible in all residential areas but with some development controls, to limit any adverse effects. The LEP allows “serviced apartments” in the town centre and nearby areas. Bed and breakfast establishments are permitted in all residential areas.

Key points:

- Prohibiting full-time (greater than 8 weeks) holiday lets in residential areas.
- Visitor accommodation allowed in and adjacent to town centre
- B and Bs are a permitted activity in residential areas.

7 Next steps

The purpose of this Issues and Options Report is to promote debate on whether the QLDC District Plan should be amended to provide greater direction on the appropriate location of visitor accommodation developments.

Based on this report, feedback to it, as well as other consultation, the council will make a decision as to whether it thinks the District Plan should be amended, and if so, in what way.

Please note that elements from each of the options provided in this paper may be needed to comprise a recommended path forward.

To assist the council in its decision-making, feedback is sought on the issues and options covered in the report. You can fill in the attached form, or alternatively you provide your own comments.

Appendix 1: Endnotes

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- ⁱ This objective is not yet operative, subject to Environment Court appeal (see section 3.2.1)
- ⁱⁱ VA and new residential non-complying in outer control boundary – Queenstown Airport
- ⁱⁱⁱ Except in VA sub zones
- ^{iv} Discretionary outside VA sub zone
- ^v Discretionary outside VA sub zone
- ^{vi} Provided within commercial precincts or VA sub zone, otherwise discretionary
- ^{vii} Discretionary in Windermere
- ^{viii} Within area (9), otherwise non-complying
- ^{ix} Prohibited where exceeds 90 day continuous stay within grey hatched areas of Areas 4, 5, 6 and 8, or within blue semi-hatched area of Areas 5 and 8
- ^x Within Area RES, otherwise non-complying
- ^{xi} Although building platforms are discretionary (70m² – 1000m²) and non-complying otherwise
- ^{xii} Provided within identified building platform, or Ferry Hills Rural Residential Sub Zone otherwise discretionary
- ^{xiii} Provided within areas where residential provided for
- ^{xiv} Up to maximum 100 units
- ^{xv} Located in Homesite Activity Areas. Outline Development Plan, residential activity areas and village activity areas controlled
- ^{xvi} Non-complying in Windermere, apart from one unit for custodial management as discretionary.
- ^{xvii} More than one residential unit per site discretionary
- ^{xviii} Prohibited where exceeds 90 day continuous stay within grey hatched areas of Areas 4, 5, 6 and 8, or within blue semi-hatched area of Areas 5 and 8
- ^{xix} No more than 218 units or one per allotment
- ^{xx} Provided only for managerial accommodation, and unless within air noise boundary then non-complying
- ^{xxi} Provided in Town Centre Transition sub zone, otherwise controlled in Queenstown.